



**SOUTHERN AFRICAN
DEVELOPMENT COMMUNITY
(SADC)**

**RECORD OF THE SADC
EXTRA-ORDINARY SUMMIT**

HELD IN

**MIDRAND,
SOUTH AFRICA**

23RD OCTOBER 2006



SADC EXTRA-ORDINARY SUMMIT MEETING

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RECORD

1. ADOPTION OF AGENDA

- 1.1 Summit considered and adopted the Agenda [**SADC/EOS/1/2006/1**], presented by the Secretariat.

2. ACCELERATING THE IMPLEMENTATION OF THE SADC ECONOMIC INTEGRATION AGENDA

2.1 Background and Rationale

- 2.1.1 Summit considered the Issues Paper (**SADC/EOS/1/2006/2**), presented by the Chairperson of the Ministerial Task Force on Regional Economic Integration and in particular issues outlined in this annotation.
- 2.1.2 Summit recalled that Regional Integration is envisaged in the 1992 SADC Declaration and Treaty as a means to achieve sustainable development and economic growth; alleviate poverty; and enhance the standard and quality of life of the people of Southern Africa.
- 2.1.3 Summit also recalled that in the 1992 SADC Declaration and Treaty, as amended in 2001, the Community's integration approach is premised on a combination of market integration and development co-operation and integration whose ultimate objective is poverty eradication through deeper regional integration and sustainable economic growth and development.
- 2.1.4 Summit further recalled that at its recent Meeting, in August 2006, in Maseru, the Kingdom of Lesotho, it formed a Task Force comprising the Ministers responsible for Finance, Investment and Economic Development; Trade and Industry and the SADC Secretariat to review the

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process and propose measures to accelerate the implementation of the SADC economic integration agenda.

2.1.5 Summit recalled that at the same Meeting, it agreed to hold an Extraordinary Session towards the end of October 2006 to receive a report, containing recommendations from the Task Force on how to accelerate Regional Economic Integration, given the urgency and importance attached to this process.

2.1.6 Summit further recalled that the Maseru meeting also reiterated that the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan for the Organ (SIPO) are the basis for deepening regional integration in SADC and reconfirmed the timelines for the following stages of regional economic integration:

- Free Trade Area (FTA) by 2008;
- Customs Union (CU) by 2010;
- Common Market by 2015;
- Monetary Union by 2016, and
- Single Currency and Economic Union by 2018

The above are key milestones for deepening regional economic and political integration, accelerating economic growth, eradicating poverty and achieving sustainable development.

2.1.7 Summit noted that in preparation for the Extraordinary Summit, briefing meetings for Ministers of Finance and of Trade were convened in Singapore at the margins of the IMF/WB annual meetings on 15th September, 2006 and in Johannesburg, South Africa on 29th September, 2006, respectively. A Joint Ministerial Task Force Meeting was held in Johannesburg, South Africa on 13th October, 2006.

2.1.8 Summit noted that the focus of the Summit was on the SADC Economic Integration Agenda and in particular the SADC FTA and CU. However, Summit reaffirmed its commitment to the functional and developmental integration approach based on the principles of balance, equity and mutual benefit. In this regard, Summit noted that issues such as infrastructure and services, agriculture and food security, social and human development including gender equality, combating of HIV & AIDS, which directly impact on poverty eradication, were being addressed within the wider SADC development co-operation framework. In addition, a SADC Conference on Poverty and Development will be convened to refine the region's interventions in this area.



2.2 Status of Regional Economic Integration

- 2.2.1 Summit noted that the Task Force recognised that regional integration is a long-term process evolving from lower stages of integration such as a Preferential Trade Area (PTA), FTA, CU and progressing to a Common Market, Monetary Union and eventually to a Political Union. Within the SADC region integration is more than trade. It involves historical, political, cultural, social and administrative cooperation. RISDP forms the framework for deepening and accelerating integration in the SADC region. In the area of trade, it involves trade liberalization, phasing down tariff barriers, ensuring free and efficient customs and border cooperation, eliminating non tariff barriers faced by Member States and compliance with various protocols.
- 2.2.2 Summit also noted that the RISDP constitutes a framework for SADC development and assigns top priority to poverty eradication, achieving high and sustainable economic growth and deepening economic integration through establishment of a FTA and CU. However trade integration must be pursued within a context of complementary policies and measures including convergence of SADC economies, cooperation in the trade and financial markets, promotion of investment and reduction of the cost of doing business.
- 2.2.3 Summit further noted that one of the key challenges of SADC has been the poor implementation record as Member States assume obligations that are unenforceable and non-binding. As SADC accelerates regional economic integration, there must be mutual accountability, regular monitoring, auditing and reporting mechanisms and sanctions' regime for those countries that fail to comply with agreed targets and commitments.
- 2.2.4 Summit stressed that the adherence to such transparency and reporting standards must take full cognisance of the need to report back and consult other stakeholders including the private sector in the Member States with the view to obtaining their respective inputs on alleviating regulatory compliance burdens.
- 2.2.5 Summit noted that intra-regional trade was estimated at about 20% of total trade in 1997. By 2003 it had risen to 25% and is expected to increase further by the time the FTA is fully implemented. This is because the whole region is dominated by mineral and other tradable commodities. The challenges that face SADC Member States is to diversify their economies, change their historical patterns of trade, remove internal barriers and harmonise industrial and competition policies.



2.2.6 Free Trade Area by 2008

2.2.6.1 Summit noted that SADC integration in the area of trade is currently premised on the SADC Protocol on Trade, which entered into force on 25 January 2000 and whose implementation commenced in September 2000. The implementation of the Protocol is expected to usher in an FTA for SADC by 1st January 2008, when at least 85% of intra-regional trade is expected to move freely in the region.

2.2.6.2 Summit also noted that currently eleven Member States are implementing the Protocol. Angola has acceded to the Protocol and is in the process of preparing its tariff offer. Madagascar has acceded to the Protocol and its tariff offer to SADC has been approved by the Ministers of Trade in their meeting held on 22nd of October 2006 on the margins of the Extra-Ordinary Summit.

2.2.6.3 Summit further noted that a mid-term review on the implementation of the Protocol on Trade identified problem areas and impediments to the process. The following are some of the key recommendations and observations from the Mid Term Review that Member States adopted:

- (i) The current SADC Rules of Origin are complex and restrictive and SADC should strive for clear, straightforward, transparent, and predictable Rules of Origin that will encourage trade, (Options for reviewing the rules were presented to Member States and negotiations are still ongoing);
- (ii) For consistency and transparency in implementation, tariff phase down schedules should be effected on 1st January of each year;
- (iii) For the purpose of harmonisation, Member States should update their tariff offers, which originally were based on the Harmonised System (HS) 1996 tariff classification, to the current HS 2002;
- (iv) For countries that had back-loaded their tariff cuts, it was suggested that they should implement their tariff cuts twice a year;
- (v) As far as possible, tariffs below 5% should be eliminated;
- (vi) In cases where the Most Favoured Nation (MFN) rate has been reduced Member States are encouraged to also reduce the SADC preference rate in order to ensure a minimum preference margin;
- (vii) Initial phase down schedules for sensitive products should be reviewed in view of the decision by SADC to move towards a



Customs Union by 2010 as well as the need to take into account latest economic developments.

(viii) There is need for improvement of the capacity for monitoring and communication among all stakeholders on the implementation of the SADC Trade Protocol both at national and regional level. A section within the Trade, Industry, Finance & Investment (TIFI) Directorate, dedicated solely to implementation of the Trade Protocol, would be able to undertake the following:

- Improve the collection and dissemination of information including the status of implementation, trade flow data and changes in tariff regimes.
- Update and verify the original tariff phase down offers against the gazetted schedules in order to reflect any changes in coding systems or in the overall tariff regime.

2.2.6.4

In addition, Summit noted the following:

- (i) In implementing this tariff phase down, caution and flexibility will have to be exercised to take account of the budgetary implications for some Member States.
- (ii) SADC has carried out inventory studies on Non-Tariff Barriers (NTBs) in Member States, which will be discussed at a regional workshop scheduled for November 2006. The workshop is expected to come up with recommendations on an Action Plan for monitoring and elimination of NTBs.
- (iii) Negotiations to simplify SADC's rules of origin are underway and are expected to be concluded by March, 2007.
- (iv) Discussions in the Trade Negotiating Forum (TNF) on implementing the adopted recommendations on phasing out tariffs on sensitive products have not progressed much. A significant number of Member States have indicated that sensitive products reflected the reality of their trading conditions and cannot automatically be moved without impacting on other factors affecting economic operators. The TNF therefore agreed that the liberalisation of sensitive products should be effected in terms of the implementation of the SADC Protocol on Trade and not as part of the process to attain a SADC Customs Union.
- (v) In addition to the tariff reduction obligations, an outcomes audit should identify progress made in the achievement of other



objectives of the Protocol on Trade. It was noted that audits should also be conducted on the policies covering industrial strategy and competition so as to facilitate policy harmonization. This should also extend to the trends and structure of intra-regional trade.

2.2.6.5

Summit noted that although the FTA target dates were realistic and that the region was on course to achieving the FTA in 2008, the achievement of the set targets depended on the region's commitment to address identified obstacles and challenges. It was further observed that trade was a function of development and that issues of investment should be addressed. Summit also noted the need to provide more information on the targets identified under the FTA implementation matrix, including providing timelines. Summit also made the following observations that should be taken into account as the Region is moving towards the FTA:

- The need for an assessment of each Member State's existing and potential capabilities. This information will facilitate investment into the region taking into account the advantages offered by an increased market under the FTA.
- That Trade should not be an end in itself, but should be an instrument that will facilitate poverty eradication and balanced, sustainable and equitable economic development in the Region

2.2.6.6

Summit endorsed the following:

- (i) That adopted recommendations from the Mid-Term Review be expeditiously implemented. A matrix indicating, in part the status of implementation of the FTA is appended as Annex I. [The matrix will be updated as per the observation in 2.2.6.5.
- (ii) That the Secretariat undertakes an assessment and outcomes audit of Member States' gazetted tariff schedules, planned for the first quarter of 2007. The results of the audit will inform SADC of compliance with their Protocol on Trade commitments ahead of the coming into force of the FTA in 2008.
- (iii) That negotiations on revised and more flexible rules of origin, be finalised by the first quarter of 2007.
- (iv) That Secretariat sets up an effective monitoring mechanism that will report annually to Summit as well as a support mechanism to assist Member States in the implementation of the Protocol on Trade.



- (v) That the Task Force develops an Action Plan for monitoring and elimination of NTBs in the first quarter of 2007.

2.2.7 Customs Co-operation and Trade facilitation

2.2.7.1 Summit noted that in order to promote and facilitate trade, there is need to harmonise and streamline SADC customs procedures and instruments, including the development of electronic exchange of customs data. Summit noted that SADC has accomplished a lot of work in developing the necessary instruments, which have been benchmarked against international instruments such as WCO instruments, the Revised Kyoto Convention, the Istanbul and Nairobi Conventions and the Harmonised System 2002, as well as the WTO Valuation Agreement.

Notable instruments for deepening customs cooperation and enhancing trade facilitations include:

- Common Customs Documentation,
- Common Tariff Nomenclature;
- Draft Model Customs Act for the implementation of uniform procedures and practices,
- SADC Transit Management Scheme and,
- Common Customs Training Modules.

2.2.7.2 Summit noted that these documents were adopted by the SADC Sub-Committee on Customs Cooperation and noted by the Ministers of Trade during their July 2006 meeting.

2.2.7.3 It was further noted that although there has been some progress in the development of instruments, implementation has not been to the desired level due to existence of parallel national and regional programmes and the need for keeping and updating data for different tariff and trading regimes. It should be noted however that under the WTO rules, no country can belong to more than one customs union.

2.2.7.4 Summit directed the Ministerial Task Force on Regional Economic Integration to fast track adoption and implementation of Customs instruments listed in 2.2.7.1 by Member States.

2.2.7.5 Summit also directed that the implementation difficulties cited in 2.2.7.3 be addressed by Member States as soon as possible to facilitate attainment of the SADC Customs Union by 2010.

2.2.7.6 Summit noted that in preparing for the establishment of the SADC Customs Union, the problem of multiple memberships will have to be

addressed as no Member State can belong to more than one Customs Union.

2.2.8 Preparations for the SADC Customs Union by 2010

2.2.8.1 Summit recalled that at its meeting in August 2006 in Maseru, Lesotho, it reaffirmed its commitment to the RISDP and reiterated the timelines contained in the Plan for the establishment of a Customs Union and Monetary Union. Recently, in August 2006, in Maseru, the Kingdom of Lesotho, Council endorsed the formation of a broad based Customs Union Task Force of officials reporting to Ministers of Trade and Finance to spearhead the preparations for the SADC Customs Union. The Secretariat is finalising the necessary draft terms of reference for the Task Force, which amongst other things is expected to prepare a Road Map for the Customs Union preparations and negotiations. (See Annex II for the indicative roadmap).

2.2.8.2 Summit noted that the prerequisites of a Customs Union include: an agreement on the common external tariff (CET), harmonisation of regulations and technical standards for the effective and uniform application of the CU, an institutional framework that can enforce and monitor the implementation of Customs Union regulations, a system for managing the collection and distribution of customs revenue and a common external trade policy that will ensure consistency in the application of the common external tariff across countries.

2.2.8.3 During discussions an observation was made that there may be need to for setting realistic, flexible timelines for attainment of the Customs Union and in that regard it might be necessary to review the Customs Union target date of 2010. It was further pointed out that it was important to ascertain first whether the Protocol on Trade was producing the intended results as it was evident from available statistics that most of the intra-regional trade being generated under the Protocol consisted of South African exports to the rest of the region. In addressing the issue of the SADC Customs Union, it was also observed that problems posed by non tariff barriers (NTBs) and the role and status of SACU in the process needed to be addressed.

2.2.8.4 Summit also noted other views on the importance of respecting the set timelines and the need to commence work on achieving the set targets before any re-adjustments of the timelines could be considered. Summit noted the need for the region to harmonise competition policies and develop coordinated industrial policy strategies. Summit also observed the need to come up with customs union options which build on what the region has achieved so far. It was also observed that there might be need for realism in the set targets and that any study on the customs union



options should also examine economic development issues affecting Member States, and suggest steps and timelines to be undertaken in overcoming critical obstacles and challenges. Summit noted the importance of empowering the Secretariat to spearhead the intended programme of work.

2.2.8.5 Summit noted that the Ministerial Task Force and the Secretariat will undertake and finalise, not later than March 2007, a study which will evaluate an appropriate model for the SADC Customs Union. The recommendations following from the study will be submitted to Summit at its next meeting.

2.2.8.6 Summit endorsed that the activity matrix attached as Annex II be used as a framework for the preparation of SADC CU road map.

2.2.8.7 Summit directed the Ministerial Task Force to finalise the road map and submit it at its next meeting for adoption.

2.3 Programmes and Policies to Deepen Regional Economic Integration

2.3.1 Implementation of the Protocol on Finance and Investment (FIP)

2.3.1.1 Summit noted that the main challenges of SADC are economic growth, sustainable development and poverty eradication. These are addressed through deepening regional economic integration and the FIP is one such instrument that pursues harmonisation of policies on taxation, investment, development finance, stock exchanges, insurance, exchange control payments and clearing systems and macroeconomic convergence.

2.3.1.2 Summit also noted that the objectives of the FIP are therefore to promote SADC as an attractive investment destination and enhance its productive capacity by removing supply side constraints. In this respect, it will complement measures to increase intra-regional trade. In addition, the FIP also deals with the strengthening of financial and capital markets to provide financing for development.

2.3.1.3 Summit recalled that the Protocol on Finance and Investment (FIP) was approved on 18th August 2006, in Maseru, the Kingdom of Lesotho, and subsequently signed by: Democratic Republic of the Congo; Lesotho; Madagascar; Mauritius; Mozambique; South Africa and the United Republic of Tanzania. The remaining seven Member States are expected to sign the FIP as soon as possible, so that all Member States can ratify it and that the FIP be implemented.



- 2.3.1.4 Summit urged all Member States that have not yet signed and ratified the Protocol on Finance and Investment (FIP), to do so as a matter of urgency and deposit the instruments of ratification with the Secretariat.
- 2.3.2 Macroeconomic Convergence**
- 2.3.2.1 Summit noted that in order to deepen regional economic integration and to achieve high sustainable economic growth and poverty eradication, the SADC economies will have to converge. Macro economic convergence programme for SADC as contained in the RISDP sets out targets to be achieved on the basis of selected indicators such as inflation, fiscal deficit, debt ratio over a period of time. This programme is important in that it complements the SADC economic integration agenda by aligning the structures of SADC economies.
- 2.3.2.2 Summit also noted that the SADC Secretariat is compiling Macroeconomic Convergence Reports on Member States performance towards achieving Macroeconomic Convergence targets. So far, Reports from eleven Member States are in the process of being completed and work on the remaining Member States will commence soon and one Member State opted to use its own resources to compile its report. These reports will form a regional picture and may also confirm the suitability and or appropriateness of the macroeconomic convergence parameters and targets used.
- 2.3.2.3 Summit further noted that, in the light of Macroeconomic Convergence Indicators outlined in the RISDP, SADC has to urgently address prevailing divergence in macroeconomic indicators among Member States.
- 2.3.2.4 Summit noted that the SADC Secretariat is in the process of operationalising the Macroeconomic Surveillance and Performance Unit (MSPU) to monitor the status and prospects of economic conditions in the Member States and the SADC region as a whole. The Unit will also assess macroeconomic and structural policies, potential risks, as well as examining economic linkages between countries and regional economic and market conditions, and their implications.
- 2.3.2.5 It was also noted that the Committee of Central Bank Governors (CCBG) has over the past years compiled annual reports on Recent Economic Developments in SADC to monitor economic developments in the region. The Reports monitor, among others, movement towards macro-economic convergence targets in the SADC region.
- 2.3.2.6 Summit urged Member States to expedite formulation of their macro-economic convergence implementation programmes and incorporate these into their policy frameworks.



2.3.2.7 Summit directed the Ministerial Task Force and the Secretariat to speed up the establishment of the Macroeconomic Surveillance and Performance Unit by June 2007 and to ensure that macroeconomic reports are presented to Summit annually.

2.3.3 SADC Development Fund

2.3.3.1 Summit recalled that at its meeting held in Maseru, August 2006, it reaffirmed the need for SADC to mobilise resources for development of its infrastructure and food security. Such effort should include the use of intra-SADC pension funds and other resources. Towards this end they reaffirmed the urgency to establish a SADC Development Fund as envisaged in the SADC Treaty.

2.3.3.2 Summit, once again reaffirmed its decision on the establishment of SADC Development Fund; and directed Ministerial Task Force and Secretariat to accelerate the feasibility studies and modalities for establishing the SADC Development Fund.

2.4 Institutional Arrangement to drive Acceleration of the Implementation of SADC Regional Economic Integration Process

2.4.1 Summit noted that the acceleration and scaling up of the implementation of the regional economic integration agenda and the attainment of SADC FTA by 2008, the Customs Union by 2010, the Common Market by 2015, Monetary Union by 2016 and Economic Union including a Single Currency by 2018 requires identification of clear institutional arrangements and accountable drivers and monitors for meeting the above deadlines and milestones as established in the RISDP. These arrangements must include strong institutions at three levels, namely, regular reporting at Summit level; Ministerial drivers at National and Regional levels; and at the Secretariat level.

2.4.2 Summit also noted that it needs to be kept regularly informed about the speed and progress being made in implementing the regional economic integration agenda of FTA in 2008 and CU in 2010 so that it can take concrete decisions to scale up the process or change the deadlines especially because of the complexity of trade negotiations and the legal institutional, revenue collection and distribution and developmental issues involved in the establishment of the CU. In this context, the Summit wishes to entrust the driving of the regional agenda at regional and national levels to a body such as the current Ministerial Task Force. The Task Force would report to the Summit in the same way as Organ and leave the rest of the SADC agenda to be driven and coordinated by the SADC Council of Ministers.



- 2.4.3 Summit further noted that at the third institutional level, the Summit needs strong dynamic, well-resourced and effective Secretariat to lead not only the regional economic agenda but also to service adequately all the key institutions of SADC. At present there is urgent need to align the structure of the Secretariat to the priorities as defined by the Summit in the RISDP and in its decision of Maseru regarding regional economic integration.
- 2.4.4 In this context, the Summit considered the need for the SADC Troika to urgently take measures to strengthen the Secretariat by reviewing its recruitment process and procedures, competitiveness of its salary levels and of specialists required for scaling up the process of attaining FTA and CU. The Troika may be mandated to consider any temporary flexibilities in the implementation of recruitment policies that may need to be granted.
- 2.4.5 Summit directed the Ministerial Task Force on Regional Economic Integration and the Executive Secretary to urgently review the Secretariat Structure; staffing and financing and align them to the new priorities, with a view to accelerate the implementation of regional economic integration agenda.
- 2.4.6 Summit mandated the Ministerial Troika to consider a temporary waiver of the quota system in the recruitment of positions that require highly specialised competencies and qualifications. This will enable the Executive Secretary to expeditiously recruit experts for positions of particular importance to regional economic integration.
- 2.4.7 Summit urged Member States to strengthen their capacity at national level including the SADC National Committees to implement the Regional Economic Integration agenda.

3. AU REPORT ON "AFRICAN UNION GOVERNMENT TOWARDS THE UNITED STATES OF AFRICA"

- 3.1 Summit recalled that the AU Heads of State and Government at their meeting held in Sirte, Libya in July 2005, reaffirmed that the ultimate goal of the African Union is to realize a full political and economic integration leading to the United States of Africa. The Union Government was envisaged to have identifiable goals based on a set of clear, shared values and common interests.
- 3.2 Summit also recalled that a Committee of 7 AU Heads of State and Government under the Chairpersonship of President Obasanjo of Nigeria was constituted with a specific mandate of facilitating a deeper reflection on the Union Government. To this effect, a two day Conference was held on the theme "Africa and Challenges of the Changing Global Order:



Desirability of a Union Government” on the 12 – 13 November 2005 in Abuja, Nigeria.

- 3.3 Summit further recalled that at the July, 2006 AU Banjul Summit, the AU Summit received a report of the Study of the proposed African Union Government. The AU Summit recommended that Member States and the Regional Economic Communities (RECs) should examine the document and prepare inputs to be considered at an Extra-Ordinary Session of the Executive Council to be held from 17th to 18th November 2006 in Addis Ababa, Ethiopia. The Report will be considered by the Assembly in detail at its Ordinary Meeting scheduled for January 2007 in Addis Ababa.
- 3.4 At its meeting held in Maseru, Lesotho from 17 – 18 August, 2006, Summit decided to hold a SADC Extra-ordinary Summit in October 2006 to discuss the Union Government among others. Summit also mandated the Ministerial Committee of the Organ to meet and prepare a SADC position and submit a report to the Extra Ordinary Summit October 2006. Summit noted that SADC Ambassadors based in Addis Ababa met on 13 October 2006 to discuss the AU Study on African Union Government and presented a report to the Ministerial Committee of the Organ in DR Congo, Kinshasa on the 19-20 October 2006.
- 3.5 Summit also noted that the Ministerial Committee of the Organ considered the report and in particular noted that while there is merit in keeping alive the vision of an African Union Government there are still complex challenges facing both AU Member States and the RECs, which need prior attention.
- 3.6 Summit considered the recommendations from the Ministerial Committee of the Organ as follows:
- (i) The principle of subsidiarity as contained in the Constitutive Act should be strictly adhered to. This approach ensures that African Union remains a union of independent sovereign states. It also takes cognizance of the fact that individual Member States belong to various RECs that are building blocs for the Africa Economic Community (AEC) as envisaged in the Abuja Treaty of 1991. The Constitutive Act also provides for continental institutions and organs including Pan African Parliament, the Court of Justice, and Peoples’ and Human rights and Financial Institutions. Furthermore, it provides for creation of Specialized Technical Committees (STCs) at Ministerial level for the harmonization of sector policies. The STCs will cater for the implementation of the agreed strategic policy (focal areas).



- (ii) An audit must be undertaken in order to establish the current situation with regards to the institutions, organs and programmes. The audit should include an assessment of the capacity and performance of the AU commission. In this regard, the operationalisation of the existing organs such as PAP, ECOSOCC, Court of Justice and Peoples' and Human Rights, should be expedited. Similarly, RECs must be assessed with the purpose of making them more effective as building blocks of the continental integration. To this effect, processes such as the rationalization and harmonization of RECs must be consolidated. Furthermore, the NEPAD programme should be re-energized and implemented.
- (iii) The study on the African Union Government towards the United States of Africa should be considered as a source of information to the justification of the Union Government that seeks to attain a higher level of economic and political integration. The study should also provide options based on various models that will facilitate a consensus on a suitable model for the African continent.

3.7. Summit endorsed the recommendations and mandated that they be presented as a SADC common position on the Union Government at the AU Extra-Ordinary Session of the Executive Council to be held from 17th to 18th November 2006 in Addis Ababa, Ethiopia.

3.8. Summit further directed the Secretariat to facilitate consultations on the matter, by Members of the Inter-State Politics and Diplomacy Committee (ISPDC), on the margins of the 17 – 18 November 2006 AU Extra-Ordinary Session of the Executive Council.

4. **ANY OTHER BUSINESS**

4.1 **Briefing by the Chairperson of the Ministerial Committee of the Organ on the Elections in the DRC**

4.1.1 Summit noted that the Extra-Ordinary Session of the Ministerial Committee of the Organ (MCO) on Politics, Defence and Security Cooperation took place in Kinshasa, DRC from 19 -20 October 2006. The MCO considered the status of preparation for the second round of Presidential elections in DRC and in particular the political and security situation in the country.

4.1.2 Summit expressed satisfaction with the manner with which the people and Government of Democratic Republic of Congo conducted themselves during the first round of the Presidential and Parliamentary elections. Summit also called for the same political maturity to be maintained during

the second round of Presidential elections scheduled for 29th of October 2006.

- 4.1.3 Summit noted a brief from the Vice President of the DRC, H.E. Azarias Ruberwa, on the preparations for the second round of Presidential elections in that country. He thanked SADC for supporting the peace and democratic process in the DRC and hoped for the continuation of SADC's support to the peace process.

4.2 **Signing of the Finance and Investment Protocol**

- 4.2.1 Summit noted that Botswana, Swaziland and Zimbabwe signed the Finance and Investment Protocol which brings the total number of signatories to ten Member States. The Protocol will be in force once nine of the ten signatories deposit their instruments of ratification with the Secretariat.

4.3 **The Eastern Africa Submarine Cable System (EASSy)**

- 4.3.1 Summit noted a brief on the EASSy project which is an initiative to connect countries of eastern Africa via a high bandwidth fibre optic cable system to the rest of the world.

- 4.3.2 Summit urged Member States to sign the Protocol to implement the NEPAD ICT Broadband Infrastructure Network that will set in motion the roll-out of the project including the EASSy cable.

4.4 **Zambia General Elections**

- 4.4.1 Summit noted the successful conclusion of elections in the Republic of Zambia and congratulated the Government and the People of Zambia on outcome of the elections which were in line with the SADC Principles and Guidelines Governing Democratic Elections

4.5 **South Africa's Election to the United Nations Security Council.**

- 4.5.1 Summit congratulated South Africa on its election to the United Nations Security Council for a two-year term as one of the non-permanent Members.



The Rt. Hon. Pakalitha Mosisili, Chairperson of SADC and
Prime Minister of the Kingdom of Lesotho

2007-07-30

Date